



LESTER ASSET MANAGEMENT

RESPONSIBLE GROWTH



CANADIAN EQUITY REPORT December 31, 2025

INVESTMENT STRATEGY AND PROCESS

Lester Asset Management Inc. ("LAM") launched an actively managed All-Cap Canadian Equity strategy for its segregated accounts in July 2006 and created a pooled version through the LAM Canadian Equity Fund (the "Fund") in January 2012. The strategy's aim is to be different from the S&P/TSX Composite Index and achieve higher returns than the market with lower risk as measured by low market correlation, low cyclical exposure, and better industry diversification. The portfolio is invested in 30 to 40 small, mid and large cap Canadian listed companies selected using a research process based on fundamental bottom-up analysis, strict quantitative and qualitative criteria, and a sound understanding of each company and the industry in which each operates, complemented by a macro-economic outlook. The investment style is value-driven and opportunistic, seeking to buy shares at a discount to a company's true worth, with the goal of maximizing shareholder value through dividend growth, share buybacks, spin-offs or an outright sale.

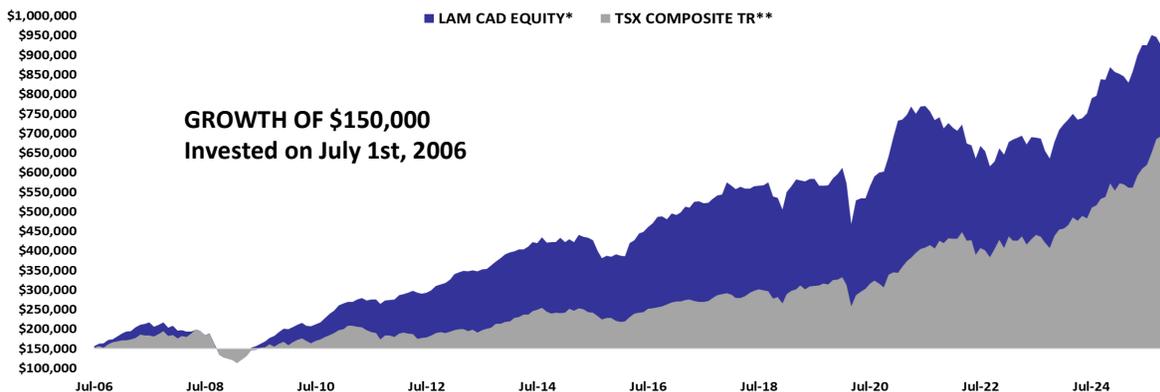
CALENDAR YEAR GROSS RETURNS (except for 2006 which is for 6 months)

	2025 YTD	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
LAM CAD EQUITY*	7.2%	20.9%	9.8%	-11.2%	5.4%	15.6%	18.0%	-11.9%	15.8%	26.6%	-9.6%	10.5%	19.3%	17.6%	5.8%	29.7%	60.2%	-40.0%	15.4%	20.7%
TSX COMPOSITE	31.7%	21.7%	11.8%	-5.8%	25.1%	5.6%	22.9%	-8.9%	9.1%	21.1%	-8.3%	10.5%	13.0%	7.2%	-8.7%	17.6%	35.1%	-33.0%	9.8%	12.5%

ANNUALIZED GROSS RETURNS (except for 1 month and 3 months returns)

	1 MONTH	3 MONTHS	1 YEAR	3 YEARS	5 YEARS	10 YEARS	SINCE JULY 1, 2006
LAM CAD EQUITY*	0.5%	-3.0%	7.2%	12.5%	5.9%	8.9%	9.7%
TSX COMPOSITE TR**	1.3%	6.3%	31.7%	21.5%	16.1%	12.7%	8.4%

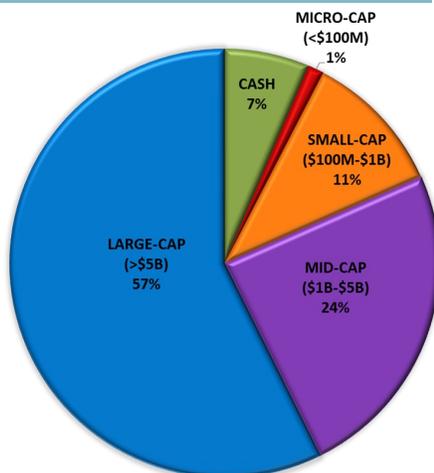
CUMULATIVE GROSS RETURNS VERSUS TSX COMPOSITE TR** SINCE JULY 1, 2006



	Annualized Gross Returns	Cumulative Gross Returns
LAM* CAD EQUITY	9.7%	512.4%
TSX COMP TR**	8.4%	385.7%
Added Value	1.3%	126.7%

FUND ALLOCATION BY SECTOR AND MARKET CAP

INDUSTRIALS	24.3%
FINANCIALS	17.4%
TECHNOLOGY	12.4%
DISCRETIONARY	11.4%
STAPLES	7.5%
CASH & EQUIVALENTS	6.4%
UTILITIES	5.3%
COMMUNICATIONS	5.1%
ENERGY	3.7%
MATERIALS	3.4%
REAL ESTATE	3.2%
HEALTHCARE	0.0%



TOP 20 FUND HOLDINGS

LARGE CAP		%	SMALL/MID CAP		%
BMO		5.0	EQB		3.6
ROYAL BANK		4.9	POLLARD BANKNOTE		3.5
DEFINITY FINANCIAL		3.9	JAMIESON WELLNESS		3.4
ENBRIDGE		3.7	SAVARIA		3.2
ELEMENT FLEET		3.5	ALTUS GROUP		3.2
CCL		3.4	KINAXIS		3.1
CGI GROUP		3.3	MDA SPACE		2.9
CN RAILWAY		3.2	PET VALU		2.9
ALTAGAS		3.2	TECSYS		2.8
WSP GLOBAL		3.1	BORALEX		2.1

QUARTERLY COMMENTARY

For the 4th quarter of 2025, the **LAM Canadian Equity Fund** declined **-3%** versus +6.2% for the TSX Composite Total Return including dividends. Our underperformance was due to our lack of exposure to the Materials sector which rose by +11.9% mostly driven by gold stocks, and lower weightings in the Financial and Energy sectors which rose +10.5% and +5.8% respectively. As well, a few of our smaller cap holdings suffered large declines on one-time company specific news (having largely rebounded since), while our technology names were down on the threat of AI disruption. Contributors included **Royal Bank, Loblaw, EQB, Quebecor, Savaria, CCL** and **Dollarama**. Detractors included **AG Growth, MDA Space, Pet Value, Pollard Banknote, TECSYS**, and **Telus**. For 2025, the **LAM Canadian Equity Fund** was up **+7.2%** versus +31.7% for the TSX Composite Total Return. Our underperformance was due to our lack of exposure to the gold sector which rose a staggering +145% and our lower weighting in the Financial sector which rose +35%. Together, the Financial and volatile Materials sector contributed an astounding 72% of the TSX return (i.e. +22.9% of the +31.7%), the rest of the market rising only +8.8%. Our main contributors were **Royal Bank, BMO, Definity Financial, Quebecor, Loblaw, Dollarama** and **Element Fleet**. As well, **Guardian Capital** which announced it would be acquired by Desjardins Group at a large premium, contributed to our return. Detractors included technology companies such as **CGI Group, TECSYS, Constellation Software** and **Thomson Reuters**, which declined on the threat of AI disruption, as well as **Pollard Banknote** which generated record results and is expected to continue to do so, and **AG Growth**, which delayed its financial statements yet reported results that were ahead of expectations. While we remain cautious in this “risk-on” market, we are taking advantage of severe declines in high-quality stocks to position the portfolio for attractive long-term risk-adjusted returns.

PORTFOLIO MANAGERS

Stephen Takacsy – CEO, Chief Investment Officer and Lead Manager Canadian Equity

Stephen joined the firm in 2006 as Chief Investment Officer and developed its Canadian Equity and Fixed Income strategies. He became Chief Executive Officer in 2017. Stephen's diverse career in finance spans over 30 years, including roles in corporate lending, investment banking, and managing the cash proceeds from the sale of a publicly traded company where he was Chief Financial Officer. His extensive experience in corporate finance, mergers & acquisitions, valuation analysis and investments has added value to client returns.

Co-Managers: Matthew Kaszel, CFA and Olivier Tardif-Loiselle, CFA



STRATEGY CHARACTERISTICS

Inception Date	July 1st, 2006
Strategy AUM	\$147 million
Style	All–Cap, value-driven, GARP, opportunistic
Process	Fundamental bottom-up analysis
Portfolio	30 to 40 diversified holdings
Risk Metrics (since inception)	Low cyclical exposure Low market correlation (low Beta) Low Portfolio turnover Maximum position size: 5% Maximum sector weight: 25%

POOLED FUND TERMS

Inception Date	January 3rd, 2012																
Fund AUM	\$72 million																
Minimum Investment	\$150,000 (or less for accredited investors)																
Eligible Accounts	Non-Registered and Registered (RRSP, RESP, TFSA...)																
Distribution	AB, BC, MB, ON, QC, by way of Offering Memorandum																
Management Expense Ratio (MER)	Management Fee (as listed below) + a maximum of 0.1% for operating expenses, as well as trading and custodial charges																
Fund Units***																	
	<table border="1"> <thead> <tr> <th>SERIES</th> <th>FUNDSERV CODE</th> <th>NAV</th> <th>MGMT. FEE</th> </tr> </thead> <tbody> <tr> <td>F</td> <td>LAF100</td> <td>\$26.24</td> <td>1.5%</td> </tr> <tr> <td>I</td> <td>LAF101</td> <td>\$20.30</td> <td>1.0%</td> </tr> <tr> <td>O</td> <td>LAF102</td> <td>\$16.10</td> <td>TBD</td> </tr> </tbody> </table>	SERIES	FUNDSERV CODE	NAV	MGMT. FEE	F	LAF100	\$26.24	1.5%	I	LAF101	\$20.30	1.0%	O	LAF102	\$16.10	TBD
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ABOUT THE FIRM

Lester Asset Management is a Montreal-based independent portfolio management firm serving private clients and institutions, with a fiduciary duty to always act in the best interests of its clients. The Firm also manages institutional funds for the *Quebec Emerging Managers Program*. The Firm is committed to preserving and growing the financial wealth of its clients through responsible and ethical investing while also providing a high level of personalized service to meet its clients' evolving needs. The Firm is focused on the active value-added management of its core strategies: Canadian Equity, Canadian Fixed Income, and Global Equity, aiming to outperform the main indices and add value by achieving higher returns than the market with lower risk. In 2021, the Firm received a Global Manager Research (GMR) *Top Performer* award for its 1-year return in the Canadian Fixed Income category, and in 2022 it received two more GMR *Top Performer* awards for its 5-year and 10-year returns in the Canadian Fixed Income Plus category. The Firm is also a signatory of the United Nations' Principles of Responsible Investing and is a member of the Taskforce on Nature-related Financial Disclosure (TNFD) Forum and the Nature Action 100 engagement team.

FOR MORE INFORMATION:

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FREQUENT CONTRIBUTOR ON



*Returns for LAM's Canadian Equity strategy are gross of management fees and based on dollar-weighted gross returns for the Canadian Equity composite of segregated portfolios managed by LAM using the same strategy from July 2006 until the launch of the Fund in January 2012, and on gross returns of the LAM Canadian Equity Fund thereafter. **The S&P/TSX Composite Total Return Index is the benchmark that has been used since the inception of LAM's Canadian Equity strategy in July 2006 and the Fund in January 2012, and reflects the policy of investing only in Canadian Equity securities.*** Returns on the different unit series of the Fund will vary due to applicable management fees. Please read the Offering Memorandum before investing in the Fund. Pooled fund returns are not guaranteed as unit values change frequently and past performance may not be repeated.